

FIFTY POINTS OF PROFIT

The “Fifty Points of Profit” curriculum as taught masterfully by noted, nationally regarded trainer, lecturer, Ron Yudd, is the focus of this feature. Mr. Yudd travels widely, speaking to trade groups and others in the retail and restaurant industries. Ron keynoted the Randolph-Sheppard training conference held in New Orleans in August of 2000. This past spring, those federation merchants who were fortunate enough to sail with us through eastern Caribbean benefited from Mr. Yudd’s knowledge and interactive training style. Using his “Fifty Points of Profit” curriculum, we took the last few hours of our seminar to reflect on what we had been taught and developed a list of take-home usable ideas, which we thought we could apply in our businesses. Mr. Yudd has compiled those fifty points so now I provide you, our website visitors, the “Fifty Points of Profit” for your use and discussion. Read them, share them with your colleagues and give us your feedback.

Point of Profit Number 1: Walking the Store

This point of profit involves you as the operator walking the store pretending that you are the customer. From front door to counter/table you take the path that the customer follows as they proceed through your

operation. The most important part of this point of profit is putting yourself in the shoes of your customer.

- ✓ What do they encounter
- ✓ The cleanliness of the displays
- ✓ Are the marketing materials easy to understand
- ✓ What obstacles are in the way of an easy purchase

Ask others in your organization to “take the walk” and have them report in about how it felt to do “business” in your store.

Point of Profit Number 2: Using Standardized Recipes

This point calls for a review of how you go about preparing your menu items. Is there a written recipe for each item you produce in your store? Is there a designated portion size for each item that makes up the recipe? Is there a process of constructing the item that is followed each time the item is ordered by a guest?

Standardized recipes help to control cost, create consistency and help in ordering of needed raw products. Customers appreciate getting the same quality each time they come to your operation. Following standardized recipes keeps the guests happy and coming back.

Point of Profit Number 3: Clear Expectations for Your Team

Employees want to know what you expect from them each day they come to work for you. When they know your expectations they have something to work towards. If expectations are unclear, frustration and confusion begin to take hold and productivity goes out the window.

Lay out what you expect employees to do during their shift. What should they accomplish before close of business? How should they conduct themselves? The more an employee understands exactly what you want the better chance they have of meeting those expectations.

Point of Profit Number 4: Back of the House Statement

This point involves the construction of a back of the house statement that is developed by the owner and employees together that sets down very specific standards that all agree to adhere to. Many back of the house statements involve standards on cleanliness, quality, how everyone will treat their fellow worker, on time performance and sharing of knowledge.

Point of Profit Number 5: Clear Expectations

This is a profit point for the manager and supervisors. It involves making sure that all associates know exactly that is expected from them as part of their daily shift.

The more specific the expectation and the more clearly it is communicated the better the opportunity you will have for exceptional performance in your business.

Point of Profit Number 6: Don't Process Your Customer

Serve Your Customer: Often times we look upon a customer as a number or someone that we have to process through the cafeteria line or the dining room. We should train our staff to treat our customers as individuals and people and teach staff to serve their needs rather than process their needs.

Point of Profit Number 7: Coaching Your Staff

This point involves working with your staff as a coach. An effective coach teaches fundamentals, reminds staff of their commitment, focuses energies and then celebrates when the team is victorious.

Point of Profit Number 8: Celebrating With Staff

This point involves letting staff know exactly what the goal of the operation is and then celebrating when goals are reached.

Point Profit Number 9: Weekly Goals

This point involves selecting several goals to be accomplished each week by yourself and individual members of your team. At the beginning the week they

are assigned and at the end of the week they are reviewed. It often turns into a little friendly competition between staff members and this is good for team building and actually getting things done!

Point of Profit Number 10: Cost of Handling vs. Cost of Producing

This point involves taking a look at items that you currently produce from scratch and asking if it would be more effective if you purchased the finished item and simply handled to versus produced it. Areas to look here include dessert, some produce items and ready to cook meat and poultry items.

Point of Profit Number 11: Free Tomato Soup

This one came from our good friend Don Hudson. By saving up all the ends of tomatoes during the week, by the week's end he has enough of the major ingredients for a delicious and fresh home-made tomato soup. Challenge yourself to look for other opportunities for free items by checking your daily production.

Point of Profit Number 12: Receiving Tools

This point involves making sure that we save money starting right at the back door during deliveries. Make sure that all those receiving goods have the tools to be successful. Thermometers, scales, the copy of what was ordered and the knowledge of what to look for when receiving product are the things you should

equip your receivers with. Pick a delivery each day and walk through the process with one of your key players to teach them how the properly receive merchandise.

Point of Profit Number 14: Weekly Bids

Ask your purveyors where applicable to submit weekly bids on the items you will be buying from Produce, seafood, poultry and dairy products would be a good place to start a program like this. The bid would be good for that week and would also help you be a better menu planner because you would have a better handle on prices of the raw ingredients.

Point of Profit Number 15: Marry Task To An Employee

This point suggests that as you construct a things-to-do list you assign specific work to a person rather than a group of employees. For example, instead of making assignments to a group of line workers in the cafeteria you would assign specific jobs by person. This helps in the area of individual accountability and responsibility.

Point of Profit Number 16: Cross Training

This point involves creating a plan that promotes the cross training of key employees. It is much more cost effective to pay fewer employees a higher wage for more skills than to pay more employees that have fewer skills. Employees also appreciate the opportunity to learn more, especially if their wage will

be tied to how many skills they accumulate. A smaller well-trained and flexible staff is always more profitable for the operation.

Point of Profit Number 17: Setting Standards

This critical the success of any business. Uniforms, cleanliness, and service standards, plate presentation standards—these are all examples of areas where standards must be developed and then practiced. Standards also help to develop consistency and this is what customers really want from a business. They want the same good experience each time they come in!

Point of Profit Number 18: Tools for Portion and Service

Conduct a weekly audit of the tools that are being used in food production and then in service. Often times we find that the wrong scoop or the wrong ladle has found it's way to the production area or the service line and we are giving away over portioned food to our customers.

❖ Using the right tools = controlled cost

Point of Profit Number 19: Monthly Audit of Food Cost

Each month all center-of-the plate items should be costed out to ensure that you remain on top of the food cost. Often times an item is placed on the menu and

over time it becomes popular. The cost of the raw ingredients go up over time and adjustments in the menu prices are not made. By auditing on a monthly basis, we keep an eye on the cost of menu items.

Point of Profit Number 20: Public Praise

Private counseling—this is not only good management but good for profitability because employees respect managers and supervisors that praise them publicly and counsel them privately.

Point of Profit Number 21: Upscale Your Service ware

Take a look at how you serve your food. There have been many changes recently in the selection and type of service ware available for cafeterias and snack bars. New colorful hotel pans, crocks for salad bars, service tools and service ware can really spruce up the look of the Point of Profit Number operation.

Point of Profit Number 22: Merchandising

Take a look at all your displays to ensure that they are in tip-top shape. If a merchandise display is not in tip-top order it actually works to reject the customers instead of attracting them.

Point of Profit Number 23: Tastings

This point involves the idea of inviting your customers to participate whenever you are trying out a new item.

Invite them to your operation one afternoon to try sample-size portions of some items you are thinking about putting on your menu. They love free items and they love to give their opinion even more! It's great for public relations and when they see that you respect their opinion they become even more loyal to your business.

Point of Profit Number 24: Organizing Your Cleaning and Sanitation Schedules

This point involves the construction of daily, weekly and monthly cleaning schedules. Walk the operation to see what should be done and when. Set up a detailed description of exactly what should be cleaned, how it is to be cleaned and who should do it. The more detailed you are the more effective the cleaning and sanitation schedule will be.

Point of Profit Number 25: Employees Meal Policies

Do you have a very specific policy outlining how employee meals are handled? Whatever you decide on in this area make sure everyone understands the policy and make sure it is fairly enforced. Keep in mind that employees will find a way to eat, so go ahead and simply formalize your policy and then everyone will understand expectations and parameters.

Point of Profit Number 26: Communicating With Guests

Review the way you communicate with your guests/customers. Consider some of the new technologies and some of the old ways to provide information they really need. A taped menu recording of your daily offerings, a one-page email of important info or even a weekly/monthly newsletter that includes recipes and fun information can be something to add to your list of ways to communicate with your guests.

Don't forget to check the ways you are currently communicating with your guests. Menu boards, menus, signage, postings etc. should be reviewed as part of your walk through.

Point of Profit 27: Winners and Losers

Take a close look at the prices for your raw products each week to determine which items are the winners and which ones are the losers. An example of this is when an operation uses fresh raspberries as part of the garniture and falls asleep. The item just becomes part of the daily routine. When a flat of raspberries gets up to \$54 per flat, maybe we should consider using a different item as part of the garniture. If you are reviewing winners and losers each week and using this information to make sound menu decisions you won't be surprised at your food cost at the end of the week or month.

Winners should be showcased and losers should be replaced or used sparingly.

Point of Profit Number 28: Setting Up Your Storage Rooms and Coolers

Set up your storage facility to help you not only be organized for inventory and easy ordering but also for security. Large items like 100 pound bags of rice should be near the door and the more expensive items should be placed in the rear or interior of the room. Use the set up of the room or cooler to deter anything from growing legs and walking out of the house.

Point of Profit Number 29: Clear Plastic Tubs

Remove from all food prep areas your large black trash can and liners. In their place put small clear tubs on the work surface as the receptacles for food waste and trimmings. This not designed to spy on your staff but to simply let them see what is being wasted. If they see the waste they may be more apt at controlling or reducing it.

Point of Profit Number 30: Showtime

Take a look at what is going on during “Showtime” or prime time in your operation. All hands should be guest focused during your rush hour. This is not the time to be taking inventory or checking the produce. Arrange your schedule and your staff’s schedule to be

fully focused on the guest and the mission of service during your “Showtime”.

Point of Profit Number 31: First Half-hour and Last Half-hour

As part of controlling your labor cost, review what is actually being done the first half hour and the last half hour of each tour worked by your staff. You may learn some interesting things.

Point of Profit Number 32: Staff Evaluations

Incorporate into part of how you do business each week to evaluate the performances of the different work groups that make up your staff. Each week evaluate as a group the performance of the back of the house and the front of the house. This should not be done to point blame, but rather to see where you may need some training or it may help you to identify Hot spots in the day-to-day operation. It should be done with staffing an open and safe forum.

Point of Profit Number 33: Departments Inspect One Another

An effective tool as it relates to cleaning, sanitation, and food safety is to have departments inspect one another. This, if done in a constructive manner can lead to some friendly competition and camaraderie. Start with the head person in each area of the

operation and have them do a “20 point” inspection each week.

Point of Profit Number 34: Setting Up True Accountability

One of the most effective cost control tools is the hold someone accountable for the item of food or other product as it flows through the house. We use the flow of food model to teach this. From back door to guests table someone should be designated responsible as the item passes through their area. It should be noted that it is often when no one is responsible that something happens to the item. Walk the food as it flows through the operation and ask yourself who is responsible at each stop along the way.

Point of Profit Number 35: Daily Inventory and Reconciliation

Each day you should be tracking the most expensive items you offer to guests. The quantity sold figures should be reconciled to the quantity consumed figure. If they don't balance, you should take a look at your production and finishing of the items and also how things are getting rung up or processed through the POS.

Point of Profit Number 36: Less Is Best

Often the less the number of items offered in the different menu categories, the better control we can

have. Check to see how your menu has grown over time and check your quantity sold figures to see if some of the items can be retired. The less you offer, the more you can control and ensure that they are cost effective.

Point of Profit Number 37: Posting of Portion Sizes

You should have an up-to-date list of portion sizes posted for the production staff. It is recommended that periodically you pull out the portion scale and test several selected items.

Point of Profit Number 38: Do It Right Or Don't Do It

This point of profit seems pretty simple. Often operators will embark on a new item because the competition of featuring it. We actually discover that we do the operation a disservice when we do this because we don't really do it right. Stick to what you do well and better, than anyone else and don't fall into the "keep up with the guy next door syndrome".

Point of Profit Number 40: Picture of Items

One of the ways to build consistency into your presentations is to have photos or drawings of the finished presentation for your staff to use as a guide for set up and to ensure that nothing leaves the kitchen until it matches the presentation as it appears in the photo. Guests come to expect some consistency in

plate presentation and this will help deliver on that expectation.

Point of Profit Number 41: What Gets Measured Gets Done

Review that you currently measure on a daily basis. If you are tracking and measuring something, this will bring attention to it. The staff sees that you are concerned about something and they begin to focus in on that item or area also.

Point of Profit Number 42: Power With Parameters

Decide what to let employees do without you getting involved or require you to approve. The more power you give your people the more ownership they will take in their job and your business.

Point of Profit Number 43: Your Hiring Process

Retention, guest service, productivity and all the other areas of employee relations really begin at the hiring part of the relationship. Don't look for people to cover a position, select people that reflect your philosophy of guest service, work ethic etc. Invest more time in the interview process in order to have less hassles down the road.

Point of Profit Number 44: Leftover and Waste Records

Make sure that you are recording all waste items and any other unusable leftovers (more waste) as part of the way you close every shift. These become areas of discussion and follow up to ensure that you don't repeat the same mistakes during the next shift. It is recommended that this be implemented in each operation and department.

Point of Profit Number 45: Dating Products for Proper Control

As items are prepared in bulk or for finishing at a later time, they should be marked with the date and time. This helps to ensure proper rotation, quality control, and food safety.

Point of Profit Number 46: Dish room Audit

Periodically check the bus pans and plate/platters that are coming back to the dish room. You may learn a lot about what the guests like or dislike by observing a little. Often times an untouched condiment or side item indicates that the guest really doesn't want or need that particular thing with their meal. Keep an eye open for items coming back; it may lead you to change a menu item or a plate presentation.

Point of Profit Number 47: Testing Yields

It is recommended that periodically the yield of an item should be fully tested. Do your yield expectations match the real yield that is going on during the day to

day production? This should be another area for periodic focus for you and your key staff members.

Point of Profit Number 48: Community Involvement

Don't forget this point of profit as a way to help your local community and market your services to those that are closest to your shop. The investment of helping others in the community never fails to deliver a huge return. Take a look at what you are doing now and see how you can increase your neighborhood involvement.

Point of Profit Number 49: Quality Checks

Throughout the shift or service period, decide what areas and when to perform quality checks. Walking the operation, tasting the items, checking presentation, talking with guests and employees should be part of an organized and very regular process. Decide your quality checkpoints and then organize them to ensure they are performed on a regular basis day in and day out.

Point of Profit 50: Daily Action Plan

Commit to create a daily action plan of five items on this list and all the related areas under each of these items; then begin to make this part of your daily function as the manager and leader. You may then decide to begin to create daily action plans for your

key staff members and your effectiveness as it relates to the 50 Points of Profit.